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C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 002948

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TAGS: [PGOV](#) [TW](#)

SUBJECT: PRESIDENT CHEN CONTINUES TO FEND OFF CHALLENGES

REF: A. TAIPEI 2765

[B](#). TAIPEI 2743

[C](#). TAIPEI 2853

Classified By: AIT Director Stephen M. Young, Reason 1.4 (b/d)

[1](#)1. (C) Summary: President Chen Shui-bian moved to counter his detractors and rally his supporters by declaring three times over the past several days that he will not step down from the presidency. Vowing he would not "betray" his supporters and would remain in office until May 20, 2008, Chen called for settling any questions through constitutional and legal processes and not in the streets. His pushback came just as the "Million Person Depose Chen" campaign to oust him launched by former Democratic Progressive Party (DPP) Chairman Shih Ming-te announced it had reached its goal of signing up one million people and collecting NT\$100 million (USD 3 million) in donations. Shih's campaign office announced that a 200,000 person sit-in will begin sometime between August 27 and September 9. Shih, who was marginalized from politics after he left the DPP in 2000, is relishing the limelight, describing himself Tuesday, August 22 as the "John the Baptist" of Taiwan politics. The pan-Green camp, though depressed and demoralized by the year-long series of scandals surrounding President Chen, nevertheless appears to be standing firmly behind President Chen, so that, barring new evidence tying the scandals to Chen personally, it does not appear likely the "Depose Chen" street campaign will succeed in its stated goal. End Summary.

Chen Digs in His Heels

[1](#)2. (C) In the face of a continuing campaign to oust him, President Chen on three separate occasions over the past several days declared his intent to remain in office until the last day of his term, May 20, 2008. Chen pledged to a gathering of supporters from his home county of Tainan on August 19 that despite adversity, he would "carry on courageously and never fall." He also promised to press ahead with three "campaigns" of his own: joining the UN under the name of Taiwan, crafting a new constitution that would be "timely, relevant, and viable," and retrieving the KMT's assets, all issues clearly intended to play to his deep-Green base. While meeting with a visiting Japanese Diet delegation on August 21, Chen reiterated that questions or disputes should be resolved through the legal system, saying in an

implicit criticism of the campaign to oust him that Taiwan people should not resort to non-peaceful or "extra-institutional" means to settle differences.

DPP Holding Firm

13. (C) Despite the strain that Chen's troubles have placed on the larger pan-Green coalition (Ref C), the DPP as a whole continues to rally around Chen. His administration has taken the high-road in responding to Shih's movement, treating the former DPP Chairman with respect and avoiding criticisms. More radical DPP legislators, however, have launched harsh ad hominem attacks on Shih, questioning his personal finances, motives, and competence. Two of Shih's former ex-wives have also entered the political fray. Linda Arrigo, Shih's second ex-wife, last week accused Shih of having lost his "clarity of vision" and suggested that the pan-Blue opposition, which had previously failed in its bid to recall President Chen in July, was secretly supporting Shih's campaign.

14. (C) The DPP mainstream appears to be taking a more low-key approach, with DPP Chairman Yu Shyi-kun last week calling on Shih to exercise "self restraint" and asking more radical voices within the party to tone down their attacks. DPP Taipei City Director Lee Cheng-yi, a former Shih staffer, told AIT on August 21 that moderates within the party don't want to "dignify" Shih's movement by aggressively responding to it. Lee said his headquarters has been working to mollify deep Green supporters who, outraged with what they see as Shih's betrayal of the Green cause, are looking to organize activities to counter Shih's campaign. DPP moderates, however, want to avoid putting their own people on the streets and, thus, inflaming the situation, Lee said.

TAIPEI 00002948 002 OF 002

Barring a direct indictment of Chen or one of his family members in the misuse of Presidential Office funds, Lee explained, party insiders see little advantage in breaking with Chen and joining Shih's movement. Top Presidential advisers Chiou I-Ren and Mark Chen have both downplayed the threat to their boss from this erstwhile comrade-in-arms. They had admitted disappointment in Shih, attributing his campaign to a certain romantic vision of the world, but have refrained in private with us from attacking Shih's character.

Shih Campaign Entering Blue Waters?

15. (C) Since the launch of his campaign last week Shih Ming-te has appeared to pose a greater threat to President Chen than earlier efforts initiated by Green scholars. The scholars' calls for Chen to resign never became linked to a social protest movement and failed to attract wider public support. Shih, on the other hand, with his long history of political protest reaching back to the 1960s, has been able to tap into not only opposition Blue hostility to Chen, but widespread Green disappointment with Chen over a year-long series of corruption scandals. Shih's campaign has attracted support from some small organizations, such as the Democratic Alliance (minmeng), and from kindred disaffected Greens, such as Hsu Hsin-liang, another former DPP chairman. Heavyweights within the Green movement, such as Lee Teng-hui and Lin Yi-hsiung, however, have to date refrained from commenting on the movement and it appears that Shih's window for winning over more Green supporters may be closing.

16. (C) As Shih's movement reached its target of NT 100 million (US\$3 million) in contributions on August 22, questions remain over the scope and nature of the opposition pan-Blue's involvement in the campaign. There are indications that a large share, if not the lion's share, of financial contributions is coming from the pan-Blue opposition, particularly after KMT Chairman Ma Ying-chiu last week gave a tacit go-ahead signal to party members by contributing NT100 himself as a "private individual." KMT

Mainland Affairs Director Chang Jung-kung on August 23 acknowledged to AIT that most of those backing Shih's movement are KMT supporters. Post offices near government offices reportedly have seen large numbers of civil servants, who are largely viewed as deep Blue supporters, making donations during their lunch breaks. Ma has also appeared quite accommodating, making a controversial decision to grant Shih's petition to hold a round-the-clock "silent sit-in" (jingzuo) in front of the Presidential Office from August 23 to September 17. (Note: On previous occasions the Taipei City government had barred 24 hour protests, setting the curfew at 10:00 PM. End note.)

Comment

¶7. (C) Despite the appearance of a growing challenge to President Chen from the "Million Person Depose Chen" movement, an appearance abetted by breathless coverage in the pan-Blue press of every move and statement by movement leaders, it appears that Chen remains firm in his resolution to serve out his term and that he continues to retain the support of his party and key figures from the wider pan-Green movement. Barring some surprise that could force cracks in the pan-Green camp, such as evidence clearly tying one of the corruption scandals directly to Chen Shui-bian himself, it appears increasingly unlikely that Shih's movement will be able to pry off enough Green supporters to force Chen to step down. Two developments we will be watching closely are the DPP's ability to continue to maintain party cohesion and Shih Ming-te's capacity to translate cash donations into ongoing support and participation once his movement takes to the streets as Taipei's sultry summer weather continues.

YOUNG